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July 11, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: *Blackstone Gas Company*, D.T.E. 06-49 (PBR Rate Adjustment Filing)

Dear Secretary Cottrell:

Blackstone Gas Company ("Blackstone Gas" or the "Company") files this letter to respond to the Comments of the Attorney General filed on June 29, 2006 in this docket. This docket is the second annual Performance Base Rate ("PBR") adjustment filing of Company, pursuant to the Settlement Agreement approved by the Department of Telecommunications and Energy ("Department") in *Blackstone Gas Company*, D.T.E. 04-79 (2004) ("D.T.E. 04-79") on May 26, 2005. The initial PBR adjustment filed by the Company was approved by the Department in *Blackstone Gas Company*, D.T.E. 05-42.

The Attorney General's first comment requests supporting data for three items in the Company's filing. The Company is glad to provide the backup material but thought these numbers were self-evident based on the prior proceedings in connection with the approval of the Settlement Agreement and the first PBR filing.

The Settlement Base Revenues and Settlement Normalized Sales were taken directly from the cost of service study prepared in connection with the Settlement Agreement approved by the Department in D.T.E. 04-79. A copy of the cost of service study ("COS") is attached as Exhibit A. In the last line of Schedule 1 of the COS the "Settlement Base Revenues" of \$778,240 is presented. In Schedule 5 line 2 of the COS the "Weather Normalized Annual Sales" is presented as 1,146,011 MCF. In addition, these two figures were the same as used by the Company for the first annual PBR filing approved by the Department in D.T.E. 05-42. A copy of that filing is attached as Exhibit B.

In Exhibit B, the first annual PBR filing, the Net Base Revenue Adjustment for 2005 is shown on the Summary page at \$37,246. All of these numbers are correct and accurate in the current filing.

The Attorney General's second comment that the Company has overstated its price cap increase by use of an incorrect gross domestic product price index values is incorrect. First the Company will explain the source of its data and second why use of consistent data from one year to the next is fair and appropriate and avoids administrative burdens on the Company, Department and Attorney General.

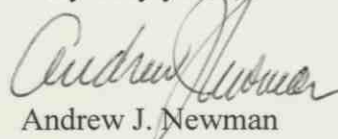
The Comment of the Attorney General shows that the 2005 quarterly gross domestic product price indices used by the Company and suggested by the Attorney General are essentially the same. (112.18 v. 112.176) The only difference is that the Company rounded the numbers to two decimal points. In the first annual PBR filing the Company rounded to two decimal points and that procedure was approved by the Department. If the Department wants the Company to use three decimal points in the calculation in the future, it is not a problem.

The Comment of the Attorney General does reveal a difference in the 2004 quarterly gross domestic price indices. The reason for this difference is the result of one or more revisions by the U.S. Department of Commerce Bureau of Economic Analysis since May 2005 to the 2004 price indices. The Company used the 2004 price indices as shown in the May 2005 Survey of Current Business, page D-5, Table 1.2.4 from the U.S. Department of Commerce Bureau of Economic Analysis. A copy of the May 2005 report is attached as Exhibit C. The Company used the May 2005 price indices to calculate the first PBR adjustment as shown in Exhibit B, page 2. These were the most current indices available at the time of the first annual filing.

The Company believes that the consistent use of index figures used and approved in the prior year without adjustment is fair and reasonable and avoids the need for a revised PBR filing every time the Department of Commerce adjusts a price index. If the Company is required to change the prior year's price index to include all adjustments in a subsequent year's calculation, this can result in a windfall gain or loss to the Company and/or ratepayers. In this case the Company would have been short changed the inflation adjustment in 2005 by 0.7%. However, in the future the adjustments in the price indices can go the other way and the Company could derive a windfall inflation adjustment. The Department should not allow a change in an approved index in a subsequent year due to index revisions.

Thus, the Department should approve the consistent use of the 2004 price indices approved by the Department in D.T.E. 05-42 as filed by the Company in this filing and the resulting inflation adjustment.

Very truly yours,



Andrew J. Newman

Department of Telecommunications and Energy

D.T.E. 06-49

July 11, 2006

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cc: Kevin Brannelly, Director,
Rates and Revenue Requirements Division
Jamie M. Tosches, Assistant Attorney General
Andrea Saia, Hearing Officer
George Yiankos, Director, Gas Division

Department of Telecommunications and Energy
D.T.E. 06-49
July 11, 2006

EXHIBIT A
COST OF SERVICE STUDY

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION +++++	ALLOC. FACTOR +++++	TOTAL COMPANY +++++	RESIDENTIAL HEATING +++++	RESIDENTIAL NON HEATING +++++	COMMERCIAL G-1 +++++	SCHOOL +++++
***** SUMMARY 1 *****						
COST OF SERVICE						
Gas Supply weather normalized		\$516,429	\$302,204	\$10,310	\$171,754	\$32,161
Total Operation & Maintenance		\$570,503	\$350,183	\$25,566	\$167,638	\$27,116
Depreciation		\$76,786	\$46,868	\$3,224	\$22,925	\$3,770
Taxes Other Than Income		\$38,864	\$23,926	\$1,770	\$11,328	\$1,840
Income Taxes		\$25,372	\$15,266	\$1,053	\$7,828	\$1,226
Interest on Customer Deposits	6	\$1,865	\$0	\$0	\$1,865	\$0
TOTAL OPERATING EXPENSES		\$1,229,820	\$738,447	\$41,923	\$383,338	\$66,113
RETURN ON RATEBASE	36	\$108,518	\$65,291	\$4,503	\$33,482	\$5,243
TOTAL REVENUE REQUIREMENTS		\$1,338,338	\$803,738	\$46,426	\$416,819	\$71,355
LESS OTHER REVENUES	32	\$1,540	\$940	\$65	\$460	\$76
RATE REVENUE REQUIREMENTS		\$1,336,798	\$802,798	\$46,361	\$416,360	\$71,280
WEATHER NORMAL GAS SALES (CCF)		1,146,011	673,784	24,258	377,918	70,051
AVERAGE REVENUE REQUIREMENT (\$/CCF)		\$1.16648	\$1.19148	\$1.91118	\$1.10172	\$1.01754
NORMAL GAS REVENUE	11	\$516,429	\$303,754	\$10,599	\$170,149	\$31,928
NORMAL BASE REVENUE		\$738,240	\$462,758	\$31,937	\$222,326	\$21,219
NORMAL REVENUE - PRESENT RATES		\$1,254,669	\$766,512	\$42,535	\$392,476	\$53,147
REQUIRED INCREASE/(DECREASE)		\$82,129	\$36,286	\$3,826	\$23,884	\$18,133
REQUIRED % INCREASE/(DECREASE)		6.5%	4.7%	9.0%	6.1%	34.1%
Settlement Increase		\$40,000	\$20,330	\$1,403	\$9,767	\$8,500
Settlement Base Revenues		\$778,240	\$483,088	\$33,340	\$232,094	\$29,719

SCHEDULE 1

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION *****	ALLOC. FACTOR *****	TOTAL COMPANY *****	RESIDENTIAL HEATING *****	RESIDENTIAL NON HEATING *****	COMMERCIAL G-1 *****	SCHOOL *****
****GAS SUPPLY EXPENSES****						
CITY GATE PURCHASES LESS SUPPLEMENTAL	2	\$452,731	\$266,178	\$9,583	\$149,296	\$27,674
SUPPLEMENTAL GAS CHARGES	4	\$63,698	\$36,026	\$727	\$22,458	\$4,487
OTHER GAS SUPPLY EXPENSES	3	\$0	\$0	\$0	\$0	\$0
	2	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER GAS SUPPLY EXPENSE		\$516,429	\$302,204	\$10,310	\$171,754	\$32,161
****TRANSMISSION AND DISTRIBUTION EXPENSE - OPERATION****						
850 OPERATION SUPERVISION AND ENGINEERING	30	\$90,503	\$55,224	\$3,791	\$27,042	\$4,447
851 SYSTEM CONTROL AND LOAD DISPATCHING	2	\$0	\$0	\$0	\$0	\$0
852 COMMUNICATION SYSTEM EXPENSE	2	\$8,552	\$5,028	\$181	\$2,820	\$523
874 MAINS AND SERVICES EXPENSE	2	\$0	\$0	\$0	\$0	\$0
878 METER AND HOUSE REGULATOR EXPENSE	2	\$0	\$0	\$0	\$0	\$0
879 CUSTOMER INSTALLATION EXPENSE	2	\$0	\$0	\$0	\$0	\$0
880 OTHER EXPENSES	2	\$0	\$0	\$0	\$0	\$0
881 RENTS	2	\$0	\$0	\$0	\$0	\$0
TOTAL TRANSMISSION&DISTRIBUTION EXP- OPERATION		\$99,055	\$60,252	\$3,972	\$29,862	\$4,969
****TRANSMISSION AND DISTRIBUTION EXPENSE - MAINTENANCE****						
886 MAINTENANCE SUPERVISION & ENG.	30	\$115,858	\$70,696	\$4,853	\$34,618	\$5,692
887 MAINTENANCE OF MAINS	18	\$0	\$0	\$0	\$0	\$0
892 MAINTENANCE OF SERVICES	9	\$0	\$0	\$0	\$0	\$0
893 MAINTENANCE OF METERS AND HOUSE REGULATOR	8	\$0	\$0	\$0	\$0	\$0
894 MAINTENANCE OF OTHER EQUIPMENT	30	\$32,876	\$20,061	\$1,377	\$9,823	\$1,615
TOTAL TRANSMISSION & DISTRIBUTION EXP- MAINTENANCE		\$148,734	\$90,756	\$6,229	\$44,441	\$7,307
****CUSTOMER ACCOUNTS EXPENSES****						
902 METER READING EXPENSE	1	\$14,319	\$10,842	\$2,020	\$1,445	\$13
903 CUSTOMER RECORDS	1	\$0	\$0	\$0	\$0	\$0
904 UNCOLLECTIBLE ACCOUNTS	37	\$2,736	\$1,035	\$60	\$1,641	\$0
TOTAL CUSTOMER ACCOUNTS EXPENSES		\$17,055	\$11,877	\$2,079	\$3,086	\$13
****SALES EXPENSES****						
911 DEMONSTRATION AND SELLING EXPENSE	2	\$0	\$0	\$0	\$0	\$0
912 ADVERTISING EXPENSES	2	\$483	\$284	\$10	\$159	\$30
916 MISCELLANEOUS SALES EXPENSES	2	\$0	\$0	\$0	\$0	\$0
TOTAL SALES EXPENSE		\$483	\$284	\$10	\$159	\$30
****ADMINISTRATIVE AND GENERAL EXPENSE****						
920 ADMINISTRATIVE AND GENERAL SALARIES	25	\$62,416	\$38,681	\$3,016	\$17,848	\$2,871
921 OFFICE SUPPLIES AND EXPENSES	25	\$28,975	\$17,957	\$1,400	\$8,285	\$1,333
922 ADMINISTRATIVE EXPENSES TRANSFERRED	2	\$0	\$0	\$0	\$0	\$0
923 OUTSIDE SERVICES EMPLOYED	23	\$61,704	\$37,056	\$2,140	\$19,217	\$3,290
924 PROPERTY INSURANCE	32	\$54,686	\$33,379	\$2,296	\$16,327	\$2,685
926 EMPLOYEES PENSIONS AND BENEFITS	25	\$31,261	\$19,373	\$1,510	\$8,939	\$1,438
930 MISCELLANEOUS GENERAL EXPENSES	2	\$0	\$0	\$0	\$0	\$0
931 RENTS	25	\$21,555	\$13,358	\$1,041	\$6,164	\$992
TOTAL ADMINISTRATIVE AND GENERAL EXPENSES		\$260,597	\$159,804	\$11,404	\$76,781	\$12,608

SCHEDULE 2

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION	ALLOC. FACTOR	TOTAL COMPANY	RESIDENTIAL HEATING	RESIDENTIAL NON HEATING	COMMERCIAL G-1	SCHOOL
*****	*****	*****	*****	*****	*****	*****
****PROFORMA O&M ADJUSTMENTS****						
PROPERTY INSURANCE	32	\$44,579	\$27,210	\$1,871	\$13,309	\$2,188
	25		\$0	\$0	\$0	\$0
	30		\$0	\$0	\$0	\$0
	25		\$0	\$0	\$0	\$0
	30		\$0	\$0	\$0	\$0
	25		\$0	\$0	\$0	\$0
	25		\$0	\$0	\$0	\$0
	32		\$0	\$0	\$0	\$0
	32		\$0	\$0	\$0	\$0
	32		\$0	\$0	\$0	\$0
	32		\$0	\$0	\$0	\$0
	2		\$0	\$0	\$0	\$0
TOTAL TEST YEAR O&M ADJUSTMENTS		\$44,579	\$27,210	\$1,871	\$13,309	\$2,188
TOTAL OPERATING & MAINTENANCE EXPENSE		\$1,086,933	\$652,387	\$35,876	\$339,392	\$59,277
****OTHER EXPENSES****						
403 DEPRECIATION EXPENSES	32	\$76,786	\$46,868	\$3,224	\$22,925	\$3,770
407 AMORTIZATION OF PROPERTY LOSSES	32	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER EXPENSES		\$76,786	\$46,868	\$3,224	\$22,925	\$3,770
****TAXES OTHER THAN INCOME****						
FICA	25	\$20,087	\$12,448	\$971	\$5,744	\$924
FEDERAL UNEMPLOYMENT TAX	25	\$471	\$292	\$23	\$135	\$22
STATE UNEMPLOYMENT TAX	25	\$1,154	\$715	\$56	\$330	\$53
SALES/EXCISE	2	\$0	\$0	\$0	\$0	\$0
DPU ASSESSMENT	2	\$0	\$0	\$0	\$0	\$0
PROPERTY TAX	32	\$17,031	\$10,395	\$715	\$5,085	\$836
STATE HEALTH INSURANCE	25	\$121	\$75	\$6	\$35	\$6
TOTAL TAXES OTHER THAN INCOME		\$38,864	\$23,926	\$1,770	\$11,328	\$1,840
****INCOME TAX ****						
CALCULATED INCOME TAX	36	\$25,372	\$15,266	\$1,053	\$7,828	\$1,226
409.1 DEFERRED FEDERAL INCOME EXP. LONG TERM	2	\$0	\$0	\$0	\$0	\$0
409.2 AMORTIZATION OF ITC	2	\$0	\$0	\$0	\$0	\$0
TOTAL INCOME TAX		\$25,372	\$15,266	\$1,053	\$7,828	\$1,226

SCHEDULE 3

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION	ALLOC. FACTOR	TOTAL COMPANY	RESIDENTIAL HEATING	RESIDENTIAL NON HEATING	COMMERCIAL G-1	SCHOOL
*****	*****	*****	*****	*****	*****	*****
RATE BASE COMPUTATIONS						
****PRODUCTION PLANT****						
TOTAL		\$0	\$0	\$0	\$0	\$0
****STORAGE PLANT****						
TOTAL		\$0	\$0	\$0	\$0	\$0
****TRANSMISSION AND DISTRIBUTION PLANT****						
366 STRUCTURES AND IMPROVEMENTS	18	\$8,211	\$4,841	\$151	\$2,718	\$502
367 MAINS	18	\$1,307,205	\$770,686	\$23,999	\$432,635	\$79,885
369 METERING& REGULATING STATION EQUIPMT	18	\$12,225	\$7,207	\$224	\$4,046	\$747
380 SERVICES	9	\$156,704	\$118,649	\$22,102	\$15,810	\$143
381 METERS	7	\$142,898	\$82,082	\$15,291	\$43,748	\$1,778
382 METER INSTALLATIONS	8	\$64,410	\$48,768	\$9,085	\$6,498	\$59
TOTAL TRANSMISSION AND DISTRIBUTION		\$1,691,653	\$1,032,233	\$70,852	\$505,454	\$83,113
****GENERAL PLANT****						
389 LAND AND LAND RIGHTS	30	\$7,900	\$4,821	\$331	\$2,360	\$388
390 STRUCTURES AND IMPROVEMENTS	2	\$8,573	\$5,040	\$181	\$2,827	\$524
391 OFFICE FURNITURE & EQUIPMENT	25	\$58,850	\$36,471	\$2,843	\$16,828	\$2,707
392 TRANSPORTATION EQUIPMENT	30	\$214,518	\$130,897	\$8,985	\$64,097	\$10,540
394 TOOLS SHOP & GARAGE EQUIP.	30	\$89,205	\$54,432	\$3,736	\$26,654	\$4,383
TOTAL GENERAL PLANT		\$379,046	\$231,661	\$16,077	\$112,766	\$18,542
*****PROFORMA RATEBASE ADJUSTMENTS		214,518				
392 TRANSPORTATION EQUIPMENT	30	\$0	\$0	\$0	\$0	\$0
BILLING SYSTEM FOR UNBUNDLING	25	\$0	\$0	\$0	\$0	\$0
394 TOOLS, SHOP & GARAGE EQUIPMENT	30	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA RATEBASE ADJUSTMENTS		\$0	\$0	\$0	\$0	\$0
****TOTAL PLANT****		\$2,070,699	\$1,263,894	\$86,929	\$618,221	\$101,655
ACCUMULATED DEPRECIATION						
ACCUMULATED DEPRECIATION	32	\$670,399	\$409,192	\$28,144	\$200,152	\$32,911
TOTAL ACCUMULATED DEPRECIATION		\$670,399	\$409,192	\$28,144	\$200,152	\$32,911
TOTAL NET PLANT		\$1,400,300	\$854,702	\$58,785	\$418,069	\$68,744
WORKING CAPITAL						
45 days on O&M	26	\$70,336	\$43,173	\$3,152	\$20,668	\$3,343
TOTAL WORKING CAPITAL		\$70,336	\$43,173	\$3,152	\$20,668	\$3,343
CUSTOMER DEPOSITS	6	\$23,150	\$0	\$0	\$23,150	\$0
RESERVE FOR DEFERRED INCOME TAXES	33	\$100,331	\$61,239	\$4,212	\$29,954	\$4,925
TOTAL RATE BASE		\$1,347,155	\$959,115	\$66,149	\$491,841	\$77,012
Rate of Return		8.06%				
Debt		\$627,164				
EQUITY		\$611,342				
RETURN		\$108,518				

SCHEDULE 4

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION +++++	ALLOC. FACTOR +++++	TOTAL COMPANY +++++	RESIDENTIAL HEATING +++++	RESIDENTIAL NON HEATING +++++	COMMERCIAL G-1 +++++	SCHOOL +++++
***** ALLOC ****	HG					
EXTERNAL FACTORS						
AVERAGE NUMBER OF CUSTOMERS	1	1,098	831	155	111	1
WEATHER NORM. ANNUAL SALES	2	1,146,011	673,784	24,258	377,918	70,051
WEATHER RELATED SALES (HEAT LOAD)	3	841,529	492,284	5,178	276,548	67,519
PEAK MONTH (JANUARY) SALES	4	229,690	129,907	2,622	80,980	16,180
PEAK DAY	5	0	0	0	0	0
COMMERCIAL AND INDUSTRIAL CUST.	6	111	0	0	111	0
WEIGHTED METER COSTS	7	72,350	41,558	7,742	22,150	900
WEIGHTED METER INSTALLATIONS	8	1,098	831	155	111	1
WEIGHTED SERVICES	9	1,098	831	155	111	1
SCHOOL ALLOCATOR	10	1	0	0	0	1
NORMAL SALES*ACTUAL CGA FACTORS	11	577,285	339,548	11,848	190,199	35,690
	12	0	0	0	0	0
	13	0	0	0	0	0
PR ALLOCATOR	18	100	58.9568	1.8359	33.0962	6.1111
	19	0	0	0	0	0
	20	0	0	0	0	0
INTERNAL FACTORS - GENERATED BY MODEL	21	0	0	0	0	0
REV REQ-EXCLUDING SCHOOL	22	\$1,266,983	\$803,738	\$46,426	\$416,819	\$0
REVENUE REQUIREMENT	23	\$1,338,338	\$803,738	\$46,426	\$416,819	\$71,355
T&D EXPENSE	24	\$247,789	\$151,009	\$10,201	\$74,303	\$12,277
DIRECT LABOR	25	\$220,680	\$136,762	\$10,663	\$63,104	\$10,152
NON-GAS O&M	26	\$570,503	\$350,183	\$25,566	\$167,638	\$27,116
NORMALIZED GAS COSTS	27	\$516,429	\$302,204	\$10,310	\$171,754	\$32,161
	28	\$0	\$0	\$0	\$0	\$0
TOTAL T&D PLANT	30	\$1,691,653	\$1,032,233	\$70,852	\$505,454	\$83,113
TOTAL GAS PLANT IN SERVICE	32	\$2,070,699	\$1,263,894	\$86,929	\$618,221	\$101,655
NET PLANT	33	\$1,400,300	\$854,702	\$58,785	\$418,069	\$68,744
TOTAL O&M EXPENSES	35	\$1,086,933	\$652,387	\$35,876	\$339,392	\$59,277
RATE BASE	36	\$1,594,117	\$959,115	\$66,149	\$491,841	\$77,012
UNCOLLECTIBLE	37	\$1,338,338	\$506,239	\$29,208	\$802,891	\$0
REVENUE REQUIREMENT	38	\$0	\$803,738	\$46,426	\$416,819	\$71,355
	39	0	0	0	0	0

SCHEDULE 5

Blackstone Gas Company

ALLOCATED COST OF SERVICE STUDY - 12 MO ENDING 12/31/02 - Proformed

DESCRIPTION	ALLOC. FACTOR	TOTAL COMPANY	RESIDENTIAL HEATING	RESIDENTIAL NON HEATING	COMMERCIAL G-1	SCHOOL
*****	*****	*****	*****	*****	*****	*****
ALLOCATION PERCENTAGES						
EXTERNAL FACTORS						
AVERAGE NUMBER OF CUSTOMERS	1	100.00%	75.72%	14.10%	10.09%	0.09%
WEATHER NORM. ANNUAL SALES	2	100.00%	58.79%	2.12%	32.98%	6.11%
WEATHER RELATED SALES (HEAT LOAD)	3	100.00%	58.50%	0.62%	32.86%	8.02%
PEAK MONTH (JANUARY) SALES	4	100.00%	56.56%	1.14%	35.26%	7.04%
PEAK DAY	5	0.00%	0.00%	0.00%	0.00%	0.00%
COMMERCIAL AND INDUSTRIAL CUST.	6	100.00%	0.00%	0.00%	100.00%	0.00%
WEIGHTED METER COSTS	7	100.00%	57.44%	10.70%	30.62%	1.24%
WEIGHTED METER INSTALLATIONS	8	100.00%	75.72%	14.10%	10.09%	0.09%
WEIGHTED SERVICES	9	100.00%	75.72%	14.10%	10.09%	0.09%
SCHOOL ALLOCATOR	10	100.00%	0.00%	0.00%	0.00%	100.00%
NORMAL SALES*ACTUAL CGA FACTORS	11	100.00%	58.82%	2.05%	32.95%	6.18%
INTERNAL FACTORS - GENERATED BY MODEL						
PR ALLOCATOR	12	0.00%	0.00%	0.00%	0.00%	0.00%
	13	0.00%	0.00%	0.00%	0.00%	0.00%
	18	100.00%	58.96%	1.84%	33.10%	6.11%
	19	0.00%	0.00%	0.00%	0.00%	0.00%
	20	0.00%	0.00%	0.00%	0.00%	0.00%
	21	0.00%	0.00%	0.00%	0.00%	0.00%
REV REQ-EXCLUDING SCHOOL	22	100.00%	63.44%	3.66%	32.90%	0.00%
REVENUE REQUIREMENT	23	100.00%	60.05%	3.47%	31.14%	5.33%
T&D EXPENSE	24	100.00%	60.94%	4.12%	29.99%	4.95%
DIRECT LABOR	25	100.00%	61.97%	4.83%	28.60%	4.60%
NON-GAS O&M	26	100.00%	61.38%	4.48%	29.38%	4.75%
NORMALIZED GAS COSTS	27	100.00%	58.52%	2.00%	33.26%	6.23%
	28	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL T&D PLANT	30	100.00%	61.02%	4.19%	29.88%	4.91%
TOTAL GAS PLANT IN SERVICE	32	100.00%	61.04%	4.20%	29.86%	4.91%
NET PLANT	33	100.00%	61.04%	4.20%	29.86%	4.91%
TOTAL O&M EXPENSES	35	100.00%	60.02%	3.30%	31.22%	5.45%
RATE BASE	36	100.00%	60.17%	4.15%	30.85%	4.83%
UNCOLLECTIBLE	37	100.00%	37.83%	2.18%	59.99%	0.00%
	38	0.00%	0.00%	0.00%	0.00%	0.00%
	39	0.00%	0.00%	0.00%	0.00%	0.00%

***** END ALLOC****

SCHEDULE 6

Department of Telecommunications and Energy
D.T.E. 06-49
July 11, 2006

EXHIBIT B

**FIRST ANNUAL PBR FILING
D.T.E. 05-42**

Blackstone Gas Company
2005 PBR and Earnings Sharing Compliance Filing

Summary

Settlement Base Revenues	\$778,240
Earnings Sharing Adjustment	\$23,732
Adjusted Settlement Base Revenues	\$801,972
Settlement Normalized Sales - Ccf	1,146,011
Average Price - \$/Ccf	\$0.6998
Inflation Adjustment	1.7%
Inflation Adjusted Average Price	\$0.7117
Inflation Adjusted Base Revenues	\$815,606
Base Rate Increase/(Decrease)	\$13,634
SQI Revenue Penalty	\$0
Earnings Sharing Adjustment	\$23,732
Net Base Revenue Adjustment	\$37,366
Settlement Normalized Sales - Ccf	1,146,011
Inflation and Revenue Sharing Charge	\$0.0326

Blackstone Gas Company

2005 PBR and Earnings Sharing Compliance Filing

Inflation Adjustment

Chain-type GDP Price Index

	<u>2003</u>	<u>2004</u>
Q1	105.49	107.31
Q2	105.78	108.17
Q3	106.16	108.55
Q4	106.59	109.16
Average	106.00	108.30
Percent Change		2.2%
Productivity Offset		0.5%
Net Inflation Adjustment		1.7%

Blackstone Gas Company

2005 PBR and Earnings Sharing Compliance Filing

Earnings Sharing Calculation

Utility Operating Income

Total Utility Operating Income	\$70,847
Amortization - Rate Case Expense	(\$22,954)
Total Interest Charges	(\$45,735)
Dividends - Preferred Stock	\$0
Excess Salary of Company Officers	\$0

Net Utility Income Available for Common Shareholders	\$2,158
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Utility Common Equity

Total Proprietary Capital	\$613,546
Preferred Stock Issued	\$0

Total Common Equity	\$613,546
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Earned Return on Common Equity	0.4%
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Earnings Sharing Threshold	6.5%
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Earnings Deficiency	6.1%
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Revenue Deficiency	\$37,722
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Pre-tax Earnings Sharing Adjustment	\$18,861
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Marginal Composite Tax Rate	20.53%
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Income Taxes	\$4,871
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Earnings Sharing Adjustment	\$23,732
-----------------------------	----------

Blackstone Gas Company
Wage Schedule - Officer & Family Members
For the years ended December 31, 2004 and 2002

<u>2004</u>	<u>Wages on Annual Return</u>	<u>Capitalized Wages on Annual Return</u>	<u>Total Wages on Annual Return</u>	<u>Percent Change From 2002 Wage Levels</u>
James Wojcik	82,681	2,294	84,975	
Grace Wojcik	29,453	0	29,453	
Joanna Wojcik **	0	0	0	
	<u>112,134</u>	<u>2,294</u>	<u>114,428</u>	<u>-9.95%</u>

** = Joanna pay of \$22,493 was allocated 100% to Sales & Services Division

<u>2002</u>	<u>Wages on Annual Return</u>	<u>Capitalized Wages on Annual Return</u>	<u>Total Wages on Annual Return</u>
James Wojcik	90,503	4,265	94,768
Grace Wojcik	28,159	0	28,159
Joanna Wojcik **	4,144	0	4,144
	<u>122,806</u>	<u>4,265</u>	<u>127,071</u>

** = Joanna total pay for 2002 was \$9,422 with \$5,278 allocated to Sales & Services Division

Department of Telecommunications and Energy
D.T.E. 06-49
July 11, 2006

EXHIBIT C

MAY 2005 SURVEY OF CURRENT BUSINESS

National Data

A. Selected NIPA Tables

The selected set of NIPA tables presents the most recent estimates of gross domestic product (GDP) and its components that were released on April 28, 2005. These estimates include the “advance” estimates for the first quarter of 2005.

The selected set presents quarterly estimates

that are updated monthly. Annual estimates are presented in most of the tables.

The GDP news release is available on BEA's Web site within minutes after the release. To receive an e-mail notification of the release, go to <www.bea.gov>, and subscribe. The “Selected NIPA Tables” are available later that day.

1. Domestic Product and Income

Table 1.1.1. Percent Change From Preceding Period in Real
Gross Domestic Product
[Percent]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	3.0	4.4	4.5	3.3	4.0	3.8	3.1
Personal consumption expenditures	2	3.3	3.8	4.1	1.6	5.1	4.2	3.5
Durable goods	3	7.4	6.7	2.2	-0.3	17.2	3.9	0.0
Nondurable goods	4	3.7	4.6	6.7	0.1	4.7	5.9	4.9
Services	5	2.2	2.8	3.3	2.7	3.0	3.4	3.6
Gross private domestic investment	6	4.4	13.2	12.3	19.0	2.4	13.3	12.5
Fixed investment	7	5.1	10.3	4.5	13.9	8.8	10.5	5.0
Nonresidential	8	3.3	10.6	4.2	12.5	13.0	14.5	4.7
Structures	9	-5.6	1.4	-7.6	6.9	-1.1	2.1	-2.6
Equipment and software	10	6.4	13.6	8.0	14.2	17.5	18.4	6.9
Residential	11	8.8	9.7	5.0	16.5	1.6	3.4	5.7
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	1.9	8.6	7.3	7.3	6.0	3.2	7.0
Goods	15	2.2	8.8	9.1	6.0	9.5	1.9	9.3
Services	16	1.4	8.0	3.4	10.2	-1.8	6.2	1.8
Imports	17	4.4	9.9	10.6	12.6	4.6	11.4	14.7
Goods	18	4.7	10.8	12.7	13.0	5.0	14.9	16.1
Services	19	3.1	5.8	1.2	10.6	2.8	-5.2	7.5
Government consumption expenditures and gross investment	20	2.8	1.9	2.5	2.2	0.7	0.9	0.6
Federal	21	6.6	4.7	7.1	2.7	4.8	1.2	0.6
National defense	22	9.0	7.3	10.6	1.9	10.1	-0.6	0.2
Nondefense	23	2.4	-0.5	0.2	4.4	-5.3	5.3	1.3
State and local	24	0.7	0.4	0.0	1.9	-1.7	0.6	0.5

Table 1.1.2. Contributions to Percent Change in Real
Gross Domestic Product

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product	1	3.0	4.4	4.5	3.3	4.0	3.8	3.1
Percentage points at annual rates:								
Personal consumption expenditures	2	2.29	2.65	2.90	1.10	3.57	2.92	2.45
Durable goods	3	0.63	0.57	0.19	-0.02	1.37	0.33	0.00
Nondurable goods	4	0.73	0.91	1.33	0.03	0.94	1.19	0.98
Services	5	0.93	1.17	1.39	1.10	1.26	1.41	1.46
Gross private domestic investment	6	0.66	2.00	1.86	2.85	0.40	2.11	2.03
Fixed investment	7	0.76	1.56	0.69	2.07	1.37	1.65	0.82
Nonresidential	8	0.33	1.05	0.42	1.21	1.27	1.46	0.49
Structures	9	-0.15	0.03	-0.19	0.16	-0.03	0.05	-0.06
Equipment and software	10	0.48	1.01	0.61	1.05	1.30	1.41	0.56
Residential	11	0.43	0.51	0.27	0.86	0.09	0.19	0.32
Change in private inventories	12	-0.10	0.44	1.17	0.78	-0.97	0.46	1.21
Net exports of goods and services	13	-0.43	-0.59	-0.76	-1.06	-0.10	-1.35	-1.49
Exports	14	0.18	0.82	0.70	0.70	0.59	0.32	0.69
Goods	15	0.14	0.59	0.60	0.41	0.64	0.14	0.64
Services	16	0.04	0.23	0.10	0.30	-0.06	0.18	0.06
Imports	17	-0.61	-1.40	-1.46	-1.77	-0.69	-1.67	-2.19
Goods	18	-0.54	-1.27	-1.43	-1.52	-0.62	-1.80	-2.00
Services	19	-0.07	-0.14	-0.03	-0.25	-0.07	0.13	-0.18
Government consumption expenditures and gross investment	20	0.52	0.37	0.48	0.41	0.13	0.16	0.10
Federal	21	0.43	0.32	0.48	0.18	0.33	0.09	0.04
National defense	22	0.38	0.33	0.47	0.09	0.45	-0.03	0.01
Nondefense	23	0.06	-0.01	0.00	0.10	-0.12	0.11	0.03
State and local	24	0.09	0.05	0.00	0.23	-0.20	0.07	0.06

Table 1.1.3. Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	105.749	110.440	108.969	109.858	110.941	111.993	112.847
Personal consumption expenditures	2	109.143	113.253	111.925	112.360	113.776	114.951	115.949
Durable goods	3	119.378	127.338	124.572	124.482	129.529	130.768	130.774
Nondurable goods	4	108.481	113.417	112.331	112.367	113.659	115.310	116.692
Services	5	107.418	110.423	109.237	109.955	110.782	111.717	112.701
Gross private domestic investment	6	93.852	106.223	101.672	106.191	106.823	110.207	113.498
Fixed investment	7	96.924	106.877	102.529	105.913	108.170	110.897	112.267
Nonresidential	8	90.157	99.720	95.204	98.041	101.075	104.560	105.757
Structures	9	75.810	76.844	75.886	77.171	76.958	77.359	76.859
Equipment and software	10	95.679	108.670	102.699	106.157	110.524	115.299	117.226
Residential	11	114.392	125.457	121.400	126.122	126.628	127.680	129.472
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	94.116	102.195	99.924	101.690	103.176	103.991	105.763
Goods	15	92.018	100.148	97.810	99.242	101.526	102.015	104.304
Services	16	99.330	107.277	105.173	107.765	107.275	108.896	109.391
Imports	17	105.048	115.468	111.504	114.862	116.167	119.340	123.507
Goods	18	105.131	116.462	112.116	115.593	117.005	121.133	125.742
Services	19	104.753	110.782	108.675	111.458	112.241	110.752	112.777
Government consumption expenditures and gross investment	20	110.906	113.066	112.443	113.062	113.259	113.500	113.656
Federal	21	119.140	124.695	123.249	124.068	125.539	125.922	126.098
National defense	22	122.014	130.951	128.984	129.582	132.723	132.516	132.584
Nondefense	23	113.972	113.399	112.900	114.117	112.563	114.017	114.388
State and local	24	106.739	107.171	106.965	107.482	107.033	107.202	107.348

Table 1.1.4. Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	106.003	108.298	107.314	108.169	108.551	109.159	110.038
Personal consumption expenditures	2	105.511	107.824	106.860	107.683	108.021	108.734	109.309
Durable goods	3	92.244	90.378	90.741	90.725	90.008	90.039	90.235
Nondurable goods	4	104.154	107.626	105.914	107.616	107.869	109.106	109.436
Services	5	109.237	111.999	111.085	111.667	112.314	112.932	113.729
Gross private domestic investment	6	102.304	104.898	103.514	104.644	105.405	106.029	106.892
Fixed investment	7	102.435	104.978	103.618	104.709	105.482	106.101	106.974
Nonresidential	8	98.546	99.328	98.793	99.220	99.449	99.850	100.537
Structures	9	110.176	115.578	111.926	113.984	116.677	119.726	122.815
Equipment and software	10	94.754	94.382	94.611	94.626	94.256	94.034	94.169
Residential	11	111.951	118.338	115.179	117.710	119.674	120.787	122.082
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	101.395	104.919	103.585	104.746	105.175	106.189	107.362
Goods	15	100.640	104.430	103.023	104.356	104.665	105.679	106.819
Services	16	103.219	106.129	104.897	105.726	106.440	107.454	108.705
Imports	17	99.615	104.508	102.163	103.760	105.066	107.042	107.658
Goods	18	98.068	102.886	100.355	102.267	103.580	105.362	105.909
Services	19	107.784	113.028	111.718	111.566	112.937	115.892	116.913
Government consumption expenditures and gross investment	20	108.702	112.187	110.522	111.703	112.682	113.841	115.530
Federal	21	109.081	112.213	111.203	112.020	112.491	113.138	115.257
National defense	22	109.875	112.980	111.825	112.790	113.317	113.986	116.152
Nondefense	23	107.631	110.813	110.095	110.613	110.970	111.573	113.598
State and local	24	108.485	112.180	110.131	111.524	112.802	114.265	115.698

Table 1.1.5. Gross Domestic Product

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	11,004.0	11,735.0	11,472.6	11,657.5	11,814.9	11,994.8	12,182.7
Personal consumption expenditures	2	7,760.9	8,229.9	8,060.2	8,153.8	8,282.5	8,423.3	8,541.3
Durable goods	3	950.7	993.9	976.3	975.5	1,007.0	1,017.0	1,019.2
Nondurable goods	4	2,200.1	2,377.0	2,316.6	2,354.6	2,387.2	2,449.7	2,486.5
Services	5	4,610.1	4,859.0	4,767.3	4,823.8	4,888.2	4,956.6	5,035.6
Gross private domestic investment	6	1,665.8	1,927.3	1,819.7	1,920.7	1,947.0	2,021.9	2,098.5
Fixed investment	7	1,667.0	1,884.0	1,783.5	1,861.7	1,915.4	1,975.3	2,016.1
Nonresidential	8	1,094.7	1,220.5	1,158.8	1,198.5	1,238.5	1,286.3	1,310.0
Structures	9	261.6	278.2	266.0	275.5	281.2	290.0	295.6
Equipment and software	10	833.1	942.4	892.8	923.1	957.3	996.3	1,014.4
Residential	11	572.3	663.4	624.6	663.2	677.0	688.9	706.1
Change in private inventories	12	-1.2	43.4	36.2	59.0	31.6	46.7	82.4
Net exports of goods and services	13	-498.1	-606.2	-546.8	-591.3	-611.8	-674.8	-717.6
Exports	14	1,046.2	1,175.5	1,134.3	1,167.6	1,189.5	1,210.4	1,244.7
Goods	15	726.4	820.3	790.3	812.2	833.4	845.5	873.8
Services	16	319.8	355.1	344.1	355.4	356.1	365.0	370.9
Imports	17	1,544.3	1,781.6	1,681.2	1,758.9	1,801.2	1,885.2	1,962.3
Goods	18	1,282.0	1,490.8	1,399.2	1,470.1	1,506.9	1,587.2	1,656.1
Services	19	262.3	290.8	282.0	288.8	294.4	298.1	306.2
Government consumption expenditures and gross investment	20	2,075.5	2,183.9	2,139.5	2,174.3	2,197.2	2,224.5	2,260.6
Federal	21	752.2	809.9	793.3	804.4	817.4	824.6	841.2
National defense	22	496.4	547.9	534.1	541.2	557.0	559.4	570.3
Nondefense	23	255.7	262.0	259.1	263.2	260.4	265.2	270.9
State and local	24	1,323.3	1,373.9	1,346.3	1,369.9	1,379.8	1,399.9	1,419.4

Table 1.1.6. Real Gross Domestic Product, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	10,381.3	10,841.9	10,697.5	10,784.7	10,891.0	10,994.3	11,078.2
Personal consumption expenditures	2	7,355.6	7,632.5	7,543.0	7,572.4	7,667.8	7,747.0	7,814.2
Durable goods	3	1,030.6	1,099.3	1,075.5	1,074.7	1,118.3	1,129.0	1,129.0
Nondurable goods	4	2,112.4	2,208.5	2,187.3	2,188.0	2,213.2	2,245.3	2,272.2
Services	5	4,220.3	4,336.3	4,291.7	4,320.0	4,352.4	4,389.2	4,427.8
Gross private domestic investment	6	1,628.8	1,843.5	1,764.5	1,842.9	1,853.9	1,912.6	1,969.7
Fixed investment	7	1,627.3	1,794.4	1,721.4	1,778.3	1,816.1	1,861.9	1,884.9
Nonresidential	8	1,110.8	1,228.6	1,173.0	1,207.9	1,245.3	1,288.3	1,303.0
Structures	9	237.4	240.7	237.7	241.7	241.0	242.3	240.7
Equipment and software	10	879.2	998.6	943.7	975.5	1,015.6	1,059.5	1,077.2
Residential	11	511.2	560.7	542.5	563.6	565.9	570.6	578.6
Change in private inventories	12	-0.8	45.7	40.0	61.1	34.5	47.2	80.2
Net exports of goods and services	13	-518.5	-583.7	-550.1	-580.3	-583.2	-621.1	-663.2
Exports	14	1,031.8	1,120.3	1,095.4	1,114.8	1,131.1	1,140.0	1,159.5
Goods	15	721.7	785.5	767.2	778.4	796.3	800.1	818.1
Services	16	309.9	334.6	328.1	336.2	334.6	339.7	341.2
Imports	17	1,550.3	1,704.0	1,645.5	1,695.1	1,714.3	1,761.2	1,822.7
Goods	18	1,307.3	1,448.2	1,394.1	1,437.4	1,454.9	1,506.3	1,563.6
Services	19	243.3	257.3	252.4	258.9	260.7	257.3	262.0
Government consumption expenditures and gross investment	20	1,909.4	1,946.5	1,935.8	1,946.5	1,949.9	1,954.0	1,956.7
Federal	21	689.6	721.7	713.3	718.1	726.6	728.8	729.8
National defense	22	451.8	484.9	477.6	479.9	491.5	490.7	491.0
Nondefense	23	237.6	236.4	235.4	237.9	234.7	237.7	238.5
State and local	24	1,219.8	1,224.8	1,224.4	1,228.3	1,223.2	1,225.1	1,226.8
Residual	25	0.8	-10.6	-5.1	-4.3	-14.6	-18.5	-17.5

NOTE. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 1.1.7. Percent Change From Preceding Period in Prices for Gross Domestic Product
[Percent]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	1.8	2.2	2.8	3.2	1.4	2.3	3.3
Personal consumption expenditures	2	1.9	2.2	3.3	3.1	1.3	2.7	2.1
Durable goods	3	-3.4	-2.0	0.0	-0.1	-3.1	0.1	0.9
Nondurable goods	4	2.0	3.3	5.3	6.6	0.9	4.7	1.2
Services	5	3.0	2.5	3.0	2.1	2.3	2.2	2.9
Gross private domestic investment	6	1.1	2.5	2.1	4.4	2.9	2.4	3.3
Fixed investment	7	1.2	2.5	2.0	4.3	3.0	2.4	3.3
Nonresidential	8	-0.4	0.8	0.3	1.7	0.9	1.6	2.8
Structures	9	2.1	4.9	4.8	7.6	9.8	10.9	10.7
Equipment and software	10	-1.2	-0.4	-1.1	0.1	-1.6	-0.9	0.6
Residential	11	4.4	5.7	5.4	9.1	6.8	3.8	4.4
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	2.1	3.5	5.7	4.6	1.6	3.9	4.5
Goods	15	2.0	3.8	6.4	5.3	1.2	3.9	4.4
Services	16	2.4	2.8	4.0	3.2	2.7	3.9	4.7
Imports	17	3.4	4.9	9.6	6.4	5.1	7.7	2.3
Goods	18	2.9	4.9	9.9	7.8	5.2	7.1	2.1
Services	19	5.9	4.9	8.3	-0.5	5.0	10.9	3.6
Government consumption expenditures and gross investment	20	3.2	3.2	5.1	4.3	3.6	4.2	6.1
Federal	21	3.6	2.9	6.6	3.0	1.7	2.3	7.7
National defense	22	4.2	2.8	5.7	3.5	1.9	2.4	7.8
Nondefense	23	2.6	3.0	8.3	1.9	1.3	2.2	7.5
State and local	24	3.0	3.4	4.2	5.2	4.7	5.3	5.1
Addendum:								
Gross national product	25	1.8	2.2	2.8	3.2	1.4	2.3	

Table 1.1.8. Contributions to Percent Change in the Gross Domestic Product Price Index

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product	1	1.8	2.2	2.8	3.2	1.4	2.3	3.3
Percentage points at annual rates:								
Personal consumption expenditures	2	1.33	1.54	2.28	2.18	0.88	1.86	1.51
Durable goods	3	-0.30	-0.18	0.00	-0.01	-0.27	0.01	0.07
Nondurable goods	4	0.40	0.67	1.04	1.30	0.19	0.93	0.25
Services	5	1.24	1.05	1.24	0.88	0.96	0.91	1.18
Gross private domestic investment	6	0.16	0.40	0.34	0.71	0.48	0.40	0.56
Fixed investment	7	0.18	0.39	0.31	0.67	0.48	0.39	0.55
Nonresidential	8	-0.04	0.08	0.03	0.18	0.10	0.17	0.30
Structures	9	0.05	0.11	0.11	0.17	0.22	0.25	0.25
Equipment and software	10	-0.09	-0.03	-0.08	0.01	-0.13	-0.08	0.05
Residential	11	0.22	0.31	0.29	0.49	0.38	0.21	0.25
Change in private inventories	12	-0.02	0.01	0.02	0.05	0.01	0.01	0.01
Net exports of goods and services	13	-0.27	-0.37	-0.78	-0.47	-0.59	-0.76	0.08
Exports	14	0.20	0.34	0.54	0.45	0.16	0.39	0.45
Goods	15	0.13	0.26	0.43	0.36	0.08	0.27	0.31
Services	16	0.07	0.08	0.12	0.10	0.08	0.12	0.14
Imports	17	-0.47	-0.71	-1.33	-0.92	-0.76	-1.15	-0.37
Goods	18	-0.33	-0.60	-1.13	-0.94	-0.64	-0.90	-0.28
Services	19	-0.13	-0.12	-0.20	0.01	-0.12	-0.26	-0.09
Government consumption expenditures and gross investment	20	0.60	0.59	0.93	0.80	0.65	0.77	1.11
Federal	21	0.24	0.20	0.44	0.20	0.12	0.16	0.52
National defense	22	0.18	0.13	0.26	0.16	0.09	0.11	0.36
Nondefense	23	0.06	0.07	0.18	0.04	0.03	0.05	0.16
State and local	24	0.36	0.40	0.49	0.60	0.54	0.61	0.59

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product
[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2004				2005
				I	II	III	IV	I
Gross domestic product	1	105.998	108.237	107.246	108.093	108.482	109.100	109.971
Personal consumption expenditures	2	105.510	107.827	106.856	107.679	108.016	108.730	109.305
Durable goods	3	92.244	90.412	90.783	90.767	90.049	90.081	90.277
Nondurable goods	4	104.153	107.632	105.909	107.611	107.864	109.101	109.431
Services	5	109.237	112.001	111.080	111.663	112.310	112.928	113.725
Gross private domestic investment	6	102.271	104.549	103.130	104.221	105.022	105.716	106.537
Fixed investment	7	102.436	104.989	103.603	104.693	105.466	106.086	106.958
Nonresidential	8	98.547	99.341	98.792	99.220	99.449	99.849	100.535
Structures	9	110.180	115.585	111.916	113.974	116.667	119.715	122.804
Equipment and software	10	94.754	94.372	94.611	94.627	94.257	94.035	94.170
Residential	11	111.952	118.329	115.133	117.664	119.627	120.739	122.034
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	101.396	104.919	103.550	104.732	105.161	106.175	107.348
Goods	15	100.640	104.432	103.009	104.343	104.652	105.665	106.805
Services	16	103.219	106.124	104.881	105.711	106.423	107.438	108.688
Imports	17	99.615	104.553	102.165	103.763	105.068	107.045	107.661
Goods	18	98.068	102.945	100.363	102.276	103.569	105.371	105.918
Services	19	107.784	113.007	111.692	111.542	112.911	115.866	116.887
Government consumption expenditures and gross investment	20	108.702	112.191	110.523	111.703	112.683	113.840	115.529
Federal	21	109.082	112.221	111.205	112.022	112.493	113.140	115.260
National defense	22	109.876	112.994	111.830	112.795	113.323	113.991	116.158
Nondefense	23	107.632	110.816	110.097	110.616	110.971	111.574	113.601
State and local	24	108.485	112.180	110.130	111.523	112.802	114.264	115.697
Addendum:								
Gross national product	25	105.992	108.232	107.240	108.087	108.479	109.099	

Table 1.1.10. Percentage Shares of Gross Domestic Product
[Percent]

	Line	2003	2004	2004				2005
				I	II	III	IV	I
Gross domestic product	1	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Personal consumption expenditures	2	70.5	70.1	70.3	69.9	70.1	70.2	70.1
Durable goods	3	8.6	8.5	8.5	8.4	8.5	8.5	8.4
Nondurable goods	4	20.0	20.3	20.2	20.2	20.2	20.4	20.4
Services	5	41.9	41.4	41.6	41.4	41.4	41.3	41.3
Gross private domestic investment	6	15.1	16.4	15.9	16.5	16.5	16.9	17.2
Fixed investment	7	15.1	16.1	15.5	16.0	16.2	16.5	16.5
Nonresidential	8	9.9	10.4	10.1	10.3	10.5	10.7	10.8
Structures	9	2.4	2.4	2.3	2.4	2.4	2.4	2.4
Equipment and software	10	7.6	8.0	7.8	7.9	8.1	8.3	8.3
Residential	11	5.2	5.7	5.4	5.7	5.7	5.7	5.8
Change in private inventories	12	0.0	0.4	0.3	0.5	0.3	0.4	0.7
Net exports of goods and services	13	-4.5	-5.2	-4.8	-5.1	-5.2	-5.6	-5.9
Exports	14	9.5	10.0	9.9	10.0	10.1	10.1	10.2
Goods	15	6.6	7.0	6.9	7.0	7.1	7.0	7.2
Services	16	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Imports	17	14.0	15.2	14.7	15.1	15.2	15.7	16.1
Goods	18	11.7	12.7	12.2	12.6	12.8	13.2	13.6
Services	19	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Government consumption expenditures and gross investment	20	18.9	18.6	18.6	18.7	18.6	18.5	18.6
Federal	21	8.8	6.9	6.9	6.9	6.9	6.9	6.9
National defense	22	4.5	4.7	4.7	4.6	4.7	4.7	4.7
Nondefense	23	2.3	2.2	2.3	2.3	2.2	2.2	2.2
State and local	24	12.0	11.7	11.7	11.8	11.7	11.7	11.7

Table 1.2.1. Percent Change From Preceding Period in Real Gross Domestic Product by Major Type of Product
[Percent]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Gross domestic product....	1	3.0	4.4	4.5	3.3	4.0	3.8	3.1
Final sales of domestic product.....	2	3.1	4.0	3.3	2.5	5.0	3.4	1.9
Change in private inventories.....	3							
Goods	4	4.3	7.4	8.2	2.5	8.3	6.1	3.7
Final sales.....	5	4.7	6.0	4.6	0.1	11.7	4.7	0.0
Change in private inventories.....	6							
Durable goods.....	7	5.8	10.3	8.7	2.6	10.6	10.0	4.3
Final sales.....	8	6.6	8.5	4.7	-1.1	19.4	8.2	-2.2
Change in private inventories.....	9							
Nondurable goods.....	10	3.2	5.0	7.8	2.4	6.5	3.0	3.3
Final sales.....	11	3.1	4.0	4.4	1.0	5.8	1.9	1.9
Change in private inventories.....	12							
Services ²	13	2.3	2.7	3.0	2.3	2.8	3.0	2.9
Structures	14	3.0	5.3	0.7	12.7	-2.5	1.4	1.8
Addenda:								
Motor vehicle output.....	15	4.2	5.6	8.8	-15.2	10.4	27.6	4.9
Gross domestic product excluding motor vehicle output.....	16	3.0	4.4	4.3	4.0	3.8	3.1	3.0
Final sales of computers ³	17	41.0	22.7	0.1	0.1	20.7	74.6	68.0
Gross domestic product excluding final sales of computers.....	18	2.8	4.3	4.5	3.3	3.9	3.3	2.5
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	19	3.0	4.5	5.0	4.0	3.6	4.5	3.9

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. For some components of final sales of computers, includes computer parts.

Table 1.2.2. Contributions to Percent Change in Real Gross Domestic Product by Major Type of Product

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				2005
				I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product....	1	3.0	4.4	4.5	3.3	4.0	3.8	3.1
Percentage points at annual rates:								
Final sales of domestic product.....	2	3.14	3.99	3.32	2.52	4.97	3.38	1.87
Change in private inventories.....	3	-0.10	0.44	1.17	0.78	-0.97	0.46	1.21
Goods	4	1.41	2.38	2.65	0.82	2.67	1.99	1.23
Final sales.....	5	1.51	1.93	1.49	0.03	3.63	1.53	0.02
Change in private inventories.....	6	-0.10	0.44	1.17	0.78	-0.97	0.46	1.21
Durable goods.....	7	0.85	1.48	1.28	0.39	1.53	1.45	0.64
Final sales.....	8	0.96	1.23	0.70	-0.15	2.62	1.18	-0.32
Change in private inventories ¹	9	-0.11	0.26	0.58	0.54	-1.09	0.27	0.96
Nondurable goods.....	10	0.56	0.89	1.37	0.42	1.14	0.54	0.59
Final sales.....	11	0.55	0.71	0.79	0.18	1.01	0.35	0.34
Change in private inventories ¹	12	0.01	0.19	0.58	0.25	0.12	0.19	0.25
Services ²	13	1.35	1.54	1.76	1.30	1.59	1.71	1.67
Structures	14	0.29	0.52	0.07	1.19	-0.25	0.14	0.19
Addenda:								
Motor vehicle output.....	15	0.19	0.20	0.30	-0.58	0.34	0.86	0.17
Gross domestic product excluding motor vehicle output.....	16	2.85	4.24	4.18	3.88	3.66	2.99	2.91
Final sales of computers ³	17	0.31	0.20	0.00	0.00	0.18	0.56	0.56
Gross domestic product excluding final sales of computers.....	18	2.73	4.23	4.48	3.30	3.82	3.28	2.53

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. For some components of final sales of computers, includes computer parts.

Table 1.2.3. Real Gross Domestic Product by Major Type of Product, Quantity Indexes
[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2004				2005
				I	II	III	IV	I
Gross domestic product....	1	105.749	110.440	108.969	109.858	110.941	111.993	112.847
Final sales of domestic product.....	2	106.346	110.595	109.173	109.854	111.211	112.141	112.660
Change in private inventories.....	3							
Goods	4	103.840	111.509	109.477	110.142	112.367	114.050	115.102
Final sales.....	5	105.526	111.874	109.988	110.003	113.099	114.407	114.407
Change in private inventories.....	6							
Durable goods.....	7	101.797	112.244	109.632	110.325	113.146	115.873	117.096
Final sales.....	8	103.950	112.759	109.931	109.632	114.602	116.871	116.221
Change in private inventories ¹	9							
Nondurable goods.....	10	105.827	111.142	109.586	110.228	111.965	112.788	113.702
Final sales.....	11	107.017	111.294	110.174	110.448	112.013	112.540	113.069
Change in private inventories ¹	12							
Services ²	13	107.839	110.698	109.656	110.269	111.022	111.845	112.656
Structures	14	100.891	106.288	104.164	107.319	106.651	107.018	107.507
Addenda:								
Motor vehicle output.....	15	110.849	117.029	117.344	112.620	115.444	122.707	124.172
Gross domestic product excluding motor vehicle output.....	16	105.570	110.210	108.676	109.758	110.782	111.624	112.457
Final sales of computers ³	17	174.608	214.285	201.489	201.553	211.262	242.835	276.481
Gross domestic product excluding final sales of computers.....	18	105.248	109.742	108.329	109.221	110.258	111.158	111.858
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	19	106.238	111.058	109.444	110.524	111.519	112.744	113.834

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. For some components of final sales of computers, includes computer parts.

Table 1.2.4. Price Indexes for Gross Domestic Product by Major Type of Product
[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2004				2005
				I	II	III	IV	I
Gross domestic product....	1	106.003	108.298	107.314	108.169	108.551	109.159	110.038
Final sales of domestic product.....	2	106.025	108.310	107.332	108.178	108.561	109.168	110.048
Change in private inventories.....	3							
Goods	4	99.533	99.934	99.733	100.325	99.742	99.937	100.260
Final sales.....	5	99.592	99.952	99.778	100.344	99.748	99.937	100.255
Change in private inventories.....	6							
Durable goods.....	7	94.128	92.362	92.741	92.630	92.068	92.009	92.049
Final sales.....	8	94.159	92.350	92.791	92.635	92.028	91.947	91.984
Change in private inventories ¹	9							
Nondurable goods.....	10	104.499	106.951	106.191	107.457	106.856	107.299	107.900
Final sales.....	11	104.616	107.016	106.259	107.507	106.924	107.375	107.969
Change in private inventories ¹	12							
Services ²	13	109.124	112.010	110.943	111.699	112.370	113.028	114.078
Structures	14	110.979	116.882	113.408	115.849	118.188	120.081	122.093
Addenda:								
Motor vehicle output.....	15	96.462	95.914	96.266	96.347	95.086	95.959	97.147
Gross domestic product excluding motor vehicle output.....	16	106.372	108.781	107.744	108.630	109.078	109.674	110.540
Final sales of computers ³	17	53.457	48.822	50.327	49.946	48.608	46.407	43.701
Gross domestic product excluding final sales of computers.....	18	106.710	109.140	108.106	108.983	109.401	110.071	111.039

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. For some components of final sales of computers, includes computer parts.